

April 3, 2012

The Hon. Judge Charles R. Breyer
United States District Court
450 Golden Gate Avenue
San Francisco, CA 94102

Dear Judge Breyer:

It has been 18 months since my arrest and not a day goes by that I do not think about this case and my actions. I accept responsibility for misrepresenting the ingredients to the Organic Materials Review Institute (OMRI) and acknowledge that in doing so I violated the law. I deeply regret my actions and I am ashamed of the embarrassment I have brought upon my family.

The origins of my former company, California Liquid Fertilizer, centers around a process developed more than 30 years ago. It was a process developed by my father in the late 1970's which converted any biodegradable waste into a fully pasteurized, liquid fertilizer or animal feed. The system has the capability of converting food processing wastes, restaurant scraps, and other waste materials into something with value rather than discarding into landfills. The system is analogous to solids composting where naturally occurring organisms breakdown the organic matter and release heat in the process. It differs however in that the system operates entirely in-vessel and within a liquid environment. This reduces fluctuations from external influences such as weather, and also eliminates any temperature gradients that would occur in a solid compost. The result is a very efficient, rapid and food safe process. Food borne illnesses from E. coli or Salmonella are completely destroyed within this system. The E. coli outbreak in September 2006 was traced back to inadequately processed chicken manure fertilizer. This outbreak resulted in hundreds of people becoming sick across the country, and tragically 5 deaths. Incidents such as these focus attention on the responsibilities of fertilizers companies and the standards they must maintain. The Company's process was superior to anything on the market, and the food safety aspects were the primary driving force behind my desire to have this system adopted within the agricultural industry when I first decided to get into the organic fertilizer business. Many years were dedicated in developing this system and it was certainly not a way for me to get rich quick. I invested a lot of time, effort and energy into this process and I honestly believed that one day it could be the benchmark for all organic fertilizer production.

The original input used to manufacture Biolizer XN was digested fish waste which was first stabilized with concentrated sulfuric acid and later with phosphoric acid. This product formulation was first reviewed and subsequently approved, by OMRI on or around 1997. To meet the growers desire for higher nitrogen content the Company decided to reformulate the product by adding a higher nitrogen source in the form of hydrolyzed feathers. This reformulation was again submitted to OMRI for review and the Company received approval some time later. The product initially performed well but we soon discovered that the product had drip line plugging issues and field tank

settling issues. This caused me to look for another suitable input to replace the fish and feathermeal combination.

A few years later I learned about another input being used by a large, California-based organic fertilizer manufacture. They had been selling large quantities of this material for many years, and I thought that reformulating our fish/feathermeal combination with this new input would solve our settling and plugging issues. The material was a waste by-product called Proteferm from the manufacture of a food additive. The Company purchased this material from Ajinomoto in Eddyville, Iowa and began testing the product in our in-vessel high temperature liquid composting, or "HTLC," system. The product digested very well, reaching critical pasteurization temperatures quickly and reliably. The temperature aspect was important for two reasons, first it ensured pasteurization and product safety, and secondly it confirmed an available biodegradable substrate. I decided to reformulate our fish/feathermeal material with this new input. This was my first mistake, when I did not inform OMRI of the reformulation and did not change our product labels to show the new ingredients. It was a poor judgment, and I did not fully appreciate the degree to which I was breaking the law. I was naive in the organic industry, and again I deeply regret not asking more questions from our suppliers, and making sure OMRI and our customers knew about all reformulations. What I did was wrong and I knew that I should have informed OMRI.

The Company used the Ajinomoto material for just under a year before I discontinued its use when we discovered that Ajinomoto added hydrochloric acid (HCl) to it as a stabilizing agent. Apparently, the high sugar content in this material caused it to overflow out of truckload shipments, so Ajinomoto had added HCl in an effort to prevent this from occurring. I had understood that the Proteferm product was a fermentation waste material containing bacterial cells, corn molasses and other minerals. The possibility that HCl was added to the Proteferm material caused us great concern regarding its use as an input in organic fertilizer, and the Company abandoned it.

Around the same time the Ajinomoto product was discontinued, we discovered a similar material from another supplier. I understood that it was again a fermentation waste by-product from the production of lysine, an essential amino acid used in animal feeds. This material was produced by Archer Daniels Midland (ADM) located in Decatur, Illinois, and it had all the characteristics of a useful prospective input in our fertilizer. The Company again ran tests through our digestion system and again the product performed very well. I recall asking to receive an ADM process flow diagram to verify that HCl was not added, as with the Proteferm material. I also received an ADM flowchart that showed no unacceptable materials added into the lysine process. I sincerely believed that this was a suitable organic input. Even if there were small quantities of ammonia sulfate present, they would have been quickly and completely assimilated into bacterial cells within our digestion system. Today, however, I have been presented with copies of ADM's internal data and also much more detailed discovery documentation about the product, and I am now less certain if this material would or would not be accepted. Nevertheless, at that time, this became the primary ingredient for Biolizer XN and I thought we had discovered a very competitive input. I failed to inform OMRI of the product reformulation and I misrepresented to them that

the Company had not changed from the original fish and feathermeal ingredients, and again did not change the label on our product. As I look back at my actions I realize how foolish these decisions were and that I was undermining the very industry the Company promoted as our future.

I sincerely wish I could turn back the clock, and either correctly register these inputs, or never use them in the first place. My experience with the various individuals within OMRI was always positive and I truly regret casting a shadow over an organization that has worked hard to advance the organic industry.

Questions about Biolizer XN came to light on December 2006 when the Company was contacted by the California Department of Food and Agriculture (CDFA). I was told that complaints were received, that the product was incorrectly labeled and to remove references to OMRI. The Company was given a few days to acknowledge the above, and was told to contact OMRI to remove the product from their list and to recall any outstanding inventory. At my direction, the Company fully complied with the CDFA's instructions, and they later informed us that they considered the matter closed. The fallout from this was devastating to the Company. Statements were published and rumors spread of the CDFA's investigation and sales disappeared overnight. I was heartbroken because I knew I had made a labeling violation, but I still very much believed in the fertilizer, as a safer and better organic product.

The Company manufactured nine other products in addition to Biolizer XN, however intense criticism followed and the suspicion surrounding the Company made it difficult to continue in the months to follow. I spent more than 20 years developing this technology and now needed to sell the technology in order to avoid potential bankruptcy. A buyer was located and I negotiated a deal whereby they purchased the processing equipment and all the associated patents, proprietary information and know-how. The process was sold in January 2008 and I then dissolved the Company. The purchaser hired me and I continued to work for them for almost a year, until I decided to pursue other interests. They still own and operate the facility with many of the same employees today.

My father (Professor Emeritus, UBC) was the inventor of the in-vessel liquid composting process and I thoroughly enjoyed working to commercial the technology he developed. He is a man whose respect and consideration for others truly defines his character. In August of this year he will celebrate 60 years of marriage to my mother, not a common benchmark in today's world. Neither I nor my two siblings have ever heard my parents argue or raise their voices to one another. I am fortunate to have the relationship I have with my father spending countless days, weeks and months together working on various projects together. He is a man who has influenced and inspired me both professionally and socially.

I have an older sister and a younger brother. I have a wife, two stepchildren, nieces, nephews, aunts, uncles and cousins as do most people, all of which are law abiding and productive members of society. One can imagine the shock and disbelief my arrest had on my family in October 2010. It was a situation that neither I nor anyone in my family has had any experience with. The situation has been surreal and very stressful. The

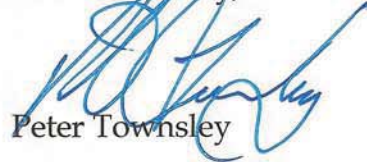
ongoing stress of this situation has greatly affected the health and well being of my family and I worry constantly about the effect this has had on my father.

As I approach sentencing, I am mostly worried for the health of my elderly parents and for the welfare of my wife and my stepchildren. The possibility of incarceration is difficult to comprehend. I have always provided for my family both financially and emotionally. I have never taken from society and I have always prided myself on not being a burden to anyone. The prospect of incarceration is difficult for my wife and all of my family to absorb, and it is difficult to write this letter knowing the possibility exists. I am asking for the court's understanding and for leniency, I can assure all involved that I have learned a very painful lesson and I will never run afoul of the law again. I do not wish to become a burden on society nor do I want to cause my family any more stress or strain.

My decision to plead guilty was not taken lightly and I understand the potential consequences. As a Canadian citizen, this conviction will forever restrict my ability to enter the United States and is the equivalent to a permanent deportation order. Over the past 20 years I have developed many friendships and have spent the majority of my working career in the United States. It therefore saddens me to realize that the decisions I made 10 years ago will prohibit my entry to what I had become to know as my home.

In conclusion, I wish to thank you for taking the time to read this letter and respectfully await your decision in June.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Peter Townsley', is written over the typed name.

Peter Townsley

April 23, 2012

The Honorable Charles R. Breyer
United States District Judge
U.S. District Court
450 Goldengate Avenue
San Francisco, California 94102

Honorable Judge Breyer:

My name is Lisa Lorena Townsley, and I am Peter Townsley's wife. I am writing to share with you the person that I know Peter is. I was born in Caracas, Venezuela and now live in Guadalajara, Mexico. I have a son who is 20 and who attended university in Guadalajara, where he studied International trade. He now works for a company in Mexico. I have a daughter who is 16 and studying computer science administration. It has been very hard for us to be separated from Peter so much of the time, and I look forward to when we can all be together.

I met Peter and in 2009, and although I did not speak much English at the time and Peter did not speak much Spanish, we learned each other's languages. At the time, Peter was starting a new company in Mexico. We fell in love. He won my heart and the hearts of my family too. We recently married.

We have a small home in Guadalajara, and my mother, younger sister and children live there with us. He takes care of all of my family members as if they have always been his own.

I was traveling with Peter when he was arrested in Los Angeles. We were flying to Canada for Thanksgiving with his family. Peter was taken from me, and I flew back to Mexico alone after many hours of waiting. It was a terrible time and I cried for many days. I am worried for Peter, but he always tells me to be strong and to be positive. I pray that his legal problems will soon be over.

Peter is a very kind, hard working and enterprising man. He always puts family first. I have gotten to know his family, and he is very close with them. He is very close to his mother and his father and I admire these qualities in a man. His parents are older and he always helps them in any way he can.

I know Peter is a man with an honest heart. We are very happy together and we want to be together for the rest of our years. I hope you can see Peter as the good person that he is. Thank you for your time and your consideration.

Sincerely,


Lisa Lorena Townsley

April 23, 2012

The Honorable Charles R. Breyer
United States District Judge
U.S. District Court
450 Goldengate Avenue
San Francisco, California 94102

Honorable Juez Breyer:

Mi nombre es Lisa Lorena Townsley, y yo soy la esposa de Peter Townsley. Le escribo para compartir con ustedes la persona que yo conozco es Peter. Nací en Caracas, Venezuela y ahora vivo en Guadalajara, México. Tengo un hijo que tiene 20 años y quien asistió a la Universidad de Guadalajara, donde estudió comercio internacional. En la actualidad trabaja para una empresa en México. Tengo una hija que tiene 16 años y la administración de estudiar ciencias de la computación. Ha sido muy difícil para nosotros estar separados de Peter para la mayor parte del tiempo, y espero con ansias el momento en que todos podemos estar juntos.

Conocí a Peter, y en 2009, y aunque yo no hablaba mucho Inglés en el tiempo y Peter no hablaba mucho español, nos enteramos de las respectivas lenguas. En ese momento, Peter estaba empezando una nueva empresa en México. Nos enamoramos. Él ganó mi corazón y el corazón de mi familia también. Hace poco se casó.

Tenemos una pequeña casa en Guadalajara, y mi madre, la hermana menor y sus hijos viven con nosotros. Él se encarga de todos los miembros de mi familia, como si siempre hubieran sido suyos.

Yo estaba viajando con Peter cuando fue arrestado en Los Ángeles. Íbamos a volar a Canadá para Acción de Gracias con su familia. Peter fue tomado de mí, y yo volamos de regreso a México solo después de muchas horas de espera. Era el momento terrible y lloré durante muchos días. Estoy preocupado por Peter, pero él siempre me dice que sea fuerte y ser positivo. Rezo para que sus problemas legales se acabará pronto.

Peter es un tipo muy, muy trabajador y hombre emprendedor. Él siempre pone la primera familia. He llegado a conocer a su familia, y él está muy cerca con ellos. Él está muy cerca de su madre y su padre y admiro a estas cualidades en un hombre. Sus padres son mayores y que siempre les ayuda en cualquier manera que pueda.

Sé que Peter es un hombre con un corazón sincero. Estamos muy felices juntos y queremos estar juntos para el resto de nuestros años. Espero que puedan ver a Peter como la buena persona que es. Gracias por su tiempo y su consideración.

Con todo respeto,


Lisa Lorena Townsley

April 6, 2012

The Honorable Charles R. Breyer
United States District Court
450 Golden Gate Avenue
San Francisco, CA

Dear Judge Breyer;

First of all, I would like to thank you very much for granting Peter Townsley permission to travel to Canada to be with his family. This letter is written by Marion Townsley, the mother of Peter Townsley. We have three living children, four grandchildren and recently a great grandson. Peter was born six months after the loss of our first son, who succumbed to cancer at the age of five. Therefore, Peter has always held a special place in our hearts.

My husband and I will be celebrating our sixtieth wedding anniversary this coming summer. We have lived a quiet life, doing our best to raise our children. Peter and his Dad have always been close, more like good friends rather than father and son. I have never heard either one of them raise his voice.

I graduated in Home Economics with BSc (HEc) from McGill University. Immediately after our wedding we moved to Berkeley, California where I worked as a lab technician for Shell Development in Emeryville, CA while my husband studied for his PhD in biochemistry at U.C. Berkeley. Upon receipt of his degree we returned to Canada where he worked in research for the Federal Government and lastly as a Professor at U.B.C. for twenty-five years. As soon as we started a family I became a stay-at-home mom.

Peter is an independent, ambitious person who goes about his business quietly and thoughtfully. His first job, at the age of twelve, was delivering the daily newspaper. He had several other part-time jobs throughout high school. Peter worked his way through University as well, working at many diverse jobs during the summer months. He paid for all his university expenses while living at home and rode his bicycle to and from his classes every day, rain or shine. He obtained his degree (a five year course) in Applied Science in Electrical Engineering at the University of British Columbia in 1984. Peter has always been honest and has always maintained his integrity through so many of life's situations. The circumstances surrounding this case are so inconsistent with the son we know that it just not make sense to us.

This has been extremely difficult time for my husband. He is under tremendous stress and constantly worries about his son. He is under the care of several specialists who are doing their best to help him. Although, I feel no specialist can really help him until Peter is back home. We wish that we could be there for Peter in June, but unfortunately they have advised my husband to stay home and I cannot leave him. I want you to know that Peter has the support of his entire family and I ask for understanding and leniency on our behalf.

Thank you for the taking the time to read this letter and I hope it helps you in your decision. If you have any questions or wish more information, please feel free to contact me at (604) 536-1129.

Sincerely yours


Marion Townsley

April 6, 2012

The Hon. Charles R. Breyer,
United States District Court
450 Golden Gate Avenue
San Francisco, CA

Your Honor:

I am the father of Peter Townsley, he is my middle child and my oldest son. I have always been proud of Peter and my two other children. I believe, my wife and I instilled strong family values and consideration for others in all our children. I have had a very happy life, and as I approach 87 years of age I find myself reminiscing more often than not. My son and I have shared many experiences and we have probably spent more time together than most fathers and sons. I am very fortunate and I know my son feels the same. We go for walks often and just talk, these are pleasant memories for me and I know my son is a genuinely good person.

I retired from the University of British Columbia (UBC) in 1990, after 25 years of teaching at the Faculty of Agriculture. I obtained both my Masters Degree in Food Science and then my PhD in Biochemistry from UC Berkeley, California in 1954. This was an exciting time for me as Biochemistry was a constantly changing and evolving field. I worked for the Federal Government in Canada for several years and then spent the remainder of my career teaching and was always working on one research project or another. Over my career I had published many papers and developed several patents. I had been interviewed by newspapers, by radio and by television with regard to the growth of marine animals in tissue culture.

While at UBC I worked on a method to control biodegradable wastes (manures, food waste, etc.) with two other agricultural engineers. This liquid composting process was patented in both the United States and Canada in the early 1980's. I believe that this process is more important today as it still is the most efficient method to control harmful pathogens in our food system. Today, food companies ship produce all over the country. A pathogen outbreak is no longer a local incident, it now has the potential to spread countrywide. Again, food safety is paramount and as a microbiologist I sincerely felt the work my son was doing with the liquid composting process would become an important part of the industry. After retiring, I helped my son wherever I could but mostly with the microbiology of the system. Many, many years were spent perfecting the efficiency of the process during this time. One particular time I recall Peter asked me to help him with a presentation to members of the National Organic Program in Washington, DC. This group was responsible for setting guidelines for organic fertilizers and they did not have any criteria for in-vessel composting. This was an area which I had much experience and Peter asked for my help. It was a very good meeting and the members were very supportive. Shortly afterwards I was told that the in-vessel process was now accepted.

I do not need to tell you that his arrest was very difficult for his mother and me. Any parent would find this situation difficult but I am grateful that my brother (Peter's uncle) and his son (Peter's cousin) lived in California to help. The circumstances surrounding this case are totally inconsistent with Peter's

character and I have never known him to be anything but respectful and honest. I want to express my thanks to you for allowing Peter to travel to Canada. Each time he was able to travel up here he helped me with many home repairs and helped his mother in the kitchen. I hope this letter helps you to see my son as I do and my take my comments into consideration during your decision. If you have any questions, please feel free to contact me at (604) 536-1129 and I would be please to provide more information.

Yours truly

A handwritten signature in blue ink, appearing to read "P. M. Townsley". The signature is fluid and cursive, with a large, stylized "P" and "T".

Philip M Townsley

March 25, 2012

Dear Judge Breyer,

I am Peter's sister, four years his senior and have known him since his birth 51 years ago. He is the uncle adored by my children and much loved by me. Peter has not yet set eyes on his newborn nephew who I know will love him as all of us do.

Our parents are professionals, and Peter followed their example, graduating from the University of British Columbia with an engineer degree, and then receiving his PENG. As an entrepreneur, he has dedicated his life to the exciting possibilities of contributing to society.

I admire and respect Peter and am very proud to say he is my brother. He is everything I would want a brother to be and I would not want to change him in anyway. Our mother and father have raised us to hold all the beliefs and qualities a well-rounded person would hold; from knowing right from wrong to being thoughtful of others.

Peter has been committed for years to building a digester that would successfully take the discarded and turn it into a safe organic usable product. He succeeded! The same as what our father, as a professor in Biochemistry wanted, Peter too wanted to do something grand and useful for society. He was devoted and hardworking, knowing that his project would make this a better world for all. My brother has a very kind heart, compassionate, caring and thoughtful, evident when seeing how he treats our parents, now in their mid-80's. He's always been sensitive of others, their feelings and needs. Peter has, through his life touched many people and has made strong bonds. Peter is seen as sincere, credible, trustworthy and generous. As a professional Peter is polite, well-spoken, listens, is thoughtful and well-liked by business associates, friends and family.

If I was to ask Peter for help, without hesitation, he would help me. Peter has no greed, but is generous, is not self-fulfilling but is inclusive. Peter is a positive, progressive thinker. His visions always have a positive spin and he adds humour just at the right moments. My brother respects his parents and helps them whenever he sees a need. Without any hesitation I would trust my brother. Peter has always wanted to be fair, not hold onto bitterness, yet forgive and takes the high road, always to be proud of who he is and his beliefs.

When Peter was arrested on Thanksgiving October 2010 my family was in shock and disbelief. These are foreign words to us never heard before. Our dad and I were going to pick Peter and his bride-to-be up at the airport, then bring them home for a Thanksgiving weekend with the family. But they never arrived. Peter hadn't entered the United States for a period of time, not because he was avoiding the US but because his wife-to-be had only then received her US

papers and landing was now legal. Peter had no idea that he was wanted at all or had done anything wrong.

The family, especially our mother and father were and still are devastated. In their later years our parents traveled to all parts of the world. Their traveling ended on that day, in October. Our parent's aging has rapidly accelerated. No one that knows Peter can believe what has happened to him, my brother.

Peter would never, ever consider doing wrong and follows the good book as he was raised. This arrest and trial is like a horrible nightmare, Peter is the wrong person to be put in this place. It is just not a fit. He would not do something intentionally wrong if he knew it was unlawful. If there has been something found or it is believed that Peter did make a bad judgement call or choice, he must have thought, was guided and believed that it would never be seen as wrong. If he had, I can guarantee you; he would never have done it. Back in 2006, 6 years ago, I believe, where this case is focused, the organic industry didn't seem to have set rules to follow. Organic could mean anything from growing in contaminated soil to using products that would cause the food we eat to be dangerous to our health. It had been proven Peter's product was 100% safe for the soil, the plant and the people.

Every opportunity Peter has had when on bail, he has spent being with our mother and father. Trying to be there for them, to go for walks with dad and doing little projects together around their home. He has been trying his best to care for them through the trauma that they've been thrown into. I know Peter feels horrible that this has hit his family, as he is family focused and only wishes the best for all of us.

I am crying as I write this to you. It's so unfair that someone like my brother, Peter, someone who likely resembles a brother or son that so many would wish for, is living this nightmare. That he stumbles once, makes one poor judgement call and is punished so harshly, like a criminal. I see no further punishment necessary. What Peter has experienced already is a horrific price to pay. He has been humiliated and harshly treated during his arrest, has been unable to work since October 2010 (1.5 yrs), his parents will never be the same, he has had to use all his saving to pay for legal representation, his family name has been splashed all over the internet, he'll lose access to the USA and will live with a record forever.

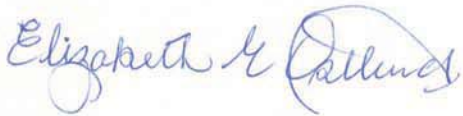
The fear of imprisonment is impossible for me to dwell to long on as it is like a stab in my heart. This degree of punishment does not fit when measured on a ladder of severity. Imprisonment, I'm afraid will kill my parents spirit and Will to carry on. They are hurting for Peter, the son they admire so much. I can not visualize Peter's new wife coming to visit him in prison. He's a good man and has so much to offer to society and his family.

If I had a wish, I would wish Peter to be set free. It makes no sense to lock up a productive member of society. He has been punished enough, I have seen the

results, he's hurting and I'm convinced he will never overlook details again. He will take no chances that laws could be broken and will never be in this terrible position again.

This letter has been written with sincerity. I truly hope you will take my letter into consideration when you next meet with my brother, Peter in June. I hope to be there for him. I write from my heart and appreciate you taking the time to read what I have to say.

Respectfully,

A handwritten signature in blue ink that reads "Elizabeth M. Ostlund". The signature is written in a cursive style with a large, looping initial "E" and a stylized "O" at the end.

Beth Ostlund (nee Townsley)

March 25, 2012

The Hon. Charles R. Breyer
United States District Court

Dear Judge Breyer,

It is highly improbable to err in judging Peter Townsley's character. The chance is smaller knowing his history, aspirations, positive qualities and family for the past 12 years.

Peter and I met at family gatherings. The Townsley family embraces family values, the work ethic with all contributing to society. The father is retired; a microbiologist and university professor, his wife and all the children have university degrees. Their daughter Beth is my spouse.

A man of high ideals, working for the greater good of society, Peter brought to California's agriculture his vision, intellectual property, energy, money, time and effort (over 10 years), developing a proven, safer, pathogen killing (pathogen free), high temperature digestion technology. As an entrepreneur and inventor, I say, he is ahead of his time safely rendering waste material into fertilizer.

Peter educated us about fertilizer but shunned our investment proposal. He was, in my mind, not in it for the money. Rather he was at the leading edge, the initial days of a mostly unregulated organic industry wherein consumers still died from e-coli infection. Peter believed in and made a product that could make a difference.

Companies change their formulations to hold a competitive advantage. Not publishing a change and letting stand the original ingredients may be seen as an error in judgment but is not indicative of a character flaw. Peter used costlier inputs in keeping with his engineering bias, moral code, ethics and ideals to produce the BEST possible (low octane) product. A fraud would use cheaper input and pocket the difference, and increase the fertilizer octane to increase sales.

Back then, Peter mentioned the revised formulation bump, associated rule changes; that it had been addressed and was resolved by affixing a corrected label. The take over by Converted Organics and continued operation of Peter's process is to me the proof that Peter remedied an ignored, overlooked but critical detail when adjudicated in hindsight.

It is regrettable that Peter is no longer in the business as this is a loss of a pioneer in safer food production in the United States. He is a good person and hard worker with a social conscience.

In sentencing Peter, I ask you to consider that his product did no harm to the soil, the plants, or the farmers using it or the consumer eating the crops.

I thank you for your time and ask for the greatest possible leniency on his and the family's behalf.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Georg", with a long horizontal flourish extending to the right.

Georg Koslowski B Arch MAIBC

Brian Townsley

818-591-8408

March 31, 2012

The Hon. Charles R. Breyer
United States District Court

Re: *Character Reference for Peter Townsley*

Honorable Charles R. Breyer:

I am writing this letter to give a character reference for Peter Townsley. I have known my cousin Peter his entire life.

Peter and I both graduated from engineering schools and at family get-togethers we have discussed his business and the potential applications of his process for organic applications. Our fathers, who are twins, are both professionals. Peter's father has a PhD in Microbiology and my father has a Masters in Agriculture with an emphasis in Chemistry; both received their degrees from Cal State Berkeley. The thought and development for the process to produce organic fertilizer has been worked on for decades. The four of us have spent time discussing the process and business practicalities for many years. I know that Peter worked extremely hard doing demonstrations of the process and finally obtained funding to develop a full-size facility.

Knowing Peter as long and as well as we do, my wife Gail and I came to his assistance and posted a \$175,000 bond as we implicitly trust him. Peter also stayed in our home for extended periods of time when he was on bond. We got to know him better and the nature of the charges in greater depth.

I know from the amount of work that Peter put into the process and then created a business from the results of his R & D, that he never intended to commit a crime. He is remorseful for committing an offense. I am confident from our many discussions that he has learned his lesson. Peter has never been in trouble with the law in the past. I believe that he will never be in trouble with the law again and is not a danger to society.


If there is the possibility of supervised probation instead of jail time, we would be more than happy to offer our home for his use during that time, whatever the length of time may be.

Thank you kindly for taking my letter into consideration.

Respectfully,



Brian Townsley


North Vancouver, B.C.
V7R4C7
April 6, 2012

The Honorable Charles R. Breyer
United States District Court
California, U.S.A.

Re: Peter J. Townsley

Your Honor,

I am the aunt of Peter Townsley, who is scheduled to appear before you for sentencing shortly.

I have known Peter well for his entire life. He is a young man who has never and would never do harm to anybody for his own personal gain. He has been raised in a gentle and intellectual family interested in the advancement of scientific knowledge in the field of Agriculture.

In his life he has experienced the results of tragedy (the loss of an uncle in war), sadness (the death of a brother from cancer), and guilt (the current state of his father's health).

The whole family is concerned over the health of my older brother Philip, who is Peter's father. Philip is now 86 years old, and recently had a stress related collapse and is currently under medical care. He is an honorable man devoted to his family, who prior to his retirement was a Professor at the University of British Columbia. Dishonesty or deceit would not be acceptable in his sons.

I believe that whatever has happened in this case has come about, not because of a lack of integrity on Peter's part, but rather due to a lack of business acumen. He feels totally responsible for the situation he finds himself in, and is very sad about the ensuing results.

I know that a custodial sentence would have a devastating effect both on Peter and his family, and I therefore ask for your understanding and leniency in this case.

If there is any further information that I might give you that would be of value, please contact me by phone at 604-983-2926, or by e-mail at annemacintosh@shaw.ca.

Yours truly,

//s//

Anne Mac Intosh

North Vancouver, B.C.,
V7R 4C7
April 6, 2012

The Honorable Charles R. Breyer
United States District Court
California, U.S.A.

Re: Peter J. Townsley

Your Honor,

I am the parent of Peter Townsley, who is scheduled to appear before you for sentencing shortly.

I have known Peter well for his entire life. He is a young man who has never and would never do harm to anybody for his own personal gain. He has been raised in a gentle and intellectual family interested in the advancement of scientific knowledge in the field of Agriculture.

In his life he has experienced the results of tragedy (the loss of an Uncle in war), sadness (the death of a brother from cancer), and guilt (the current state of his father's health).

The whole family is concerned over the health of my older brother Philip, who is Peter's father. Philip is now 86 years old, and recently had a stress related collapse and is currently under medical care. He is an honorable man

devoted to his family, who prior to his retirement was a Professor at the University of British Columbia. Discretion or discretion would not be acceptable in his sons.

I believe that whatever has happened in this case has come about, not because of a lack of integrity on Peter's part, but rather due to a lack of business acumen. He feels totally responsible for the situation he finds himself in, and is very sad about the ensuing results.

I know that a custodial sentence would have a devastating effect both on Peter and his family, and I therefore ask for your understanding and leniency in this case.

If there is any further information that I might give you that would be of value please contact me by phone at 604-983-2926, or by E-mail at conne.macintosh@shaw.ca

Yours truly,

Conne Macintosh

September 3rd, 2012

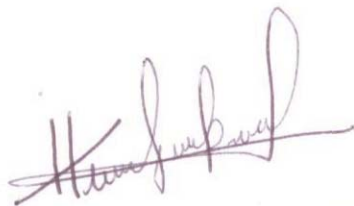
The Honorable Charles R. Breyer
United States District Judge
U.S. District Court
450 Goldengate Avenue
San Francisco, California 94102

Honorable Judge Breyer:

I am Hector Perez Lopez, a Venezuelan currently living in Guadalajara, Mexico. I have known Peter Townsley for the past 3 years, and he is the husband of my mother Lisa Lorena Lopez and a new member of our family. Let me also take this opportunity to tell you that throughout this time he has shown himself to be an honest and hardworking person and who you can trust.

Although not my biological father, Peter Townsley has been supporting my family and me with respect to our food, health care and education, and in my case this enabled me to finish my studies in international trade and commerce. I am truly grateful to this honorable person. Peter Townsley is someone who leads a simple life, has an exemplary character and is highly responsible. I can ensure you that he conducts himself in a manner that is worthy of trust.

Without taking more of your time, I am highlighting some to the more important things about Peter Townsley in this letter. Let me wish you an excellent day.



Héctor José Pérez López

Europartners México S.A de C.V.

Air Export Department

April 11, 2012

The Honorable Charles R. Breyer

Re: Peter James Townsley Character Reference Letter

Dear Judge Breyer:

We are writing this letter to give a character reference to our nephew Peter James Townsley.

We have personally known Peter since he was born. He was always a thoughtful, inquisitive (liked to take things apart), child. He was a Cub Scout for many years and had an affinity for helping animals in need. He has always been respectful and caring for others, in particular, his mother and father. He has never been in trouble in the past and we have always been proud of him.

He worked his way through a five year honor degree in Electrical Engineering at the University of British Columbia, graduating in 1984. Peter is a dedicated and hard worker. He built a pilot operation in Canada and perfected the thermal process for producing liquid organic fertilizer.

He came to the United States where he felt the opportunities were greater. It takes "fortitude" to establish a business in California, obtaining the financing, surviving the red tape for permits, finding the best location and getting customers. He completely paid off his financial partner in full with interest.

This tragedy has taken its toll on Peter and his family. His father, Dr. Philip Townsley, feels "responsible" for helping Peter develop this process. He has deteriorated both physically and mentally because of the strain of this trial.

Thank you very much for taking our letter under consideration.

Respectfully yours,

David S. Townsley
Patricia L. Townsley

David S. Townsley
Patricia L. Townsley

Redding, CA 96003
(530) 275-6565

To: **The Honorable Charles R. Breyer**
United States District Court

From: Donald Le
[REDACTED]
Huntington Beach, CA 92646
Cell Phone: (714) 280-6699

Honorable Charles R. Breyer,

My name is Donald Le, and I am a friend of Mr. Peter Townsley. I have known Peter for almost 6 years now. I first knew Peter when I represented my cousins who own one of largest fertilizer company in Vietnam to contact Peter for a possible joint venture in Vietnam. Through the course of market research in Vietnam, Peter and I have become good friends. We even traveled to Vietnam together and spent weeks there to do our market research as well as meeting with many fertilizer manufacturers, distributors and farmers at different levels in Vietnam.

Through honesty, knowledge, professionalism and hard working, Peter had touch the hearts of many people in Vietnam including my cousins and myself. We love Peter because of his character and his consideration for others and his professionalism. Organic fertilizer is not yet a market in Vietnam. Peter has had very good intention to help us to help the farmers in Vietnam to gain more knowledge about organic fertilizer in order to provide safer food on the table for the people in Vietnam instead of the contaminated food that are on the market and in the news today.

During the time spent in Vietnam as well as in the United States, my cousins and I had the opportunity to work with Peter. His integrity had impressed us so much that my cousins would willing to support him through this hardest time of his life. On many occasion, my cousins not only offer Peter their mental supports, they also offer Peter unconditional financial supports to help Peter going through this hard time, but Peter never accept the offers. That's how much we love him.

The fact that Peter had violating the law is inconsistent with Peter's character. He made a mistake and so far paying dearly for it. We have seen how much Peter suffers over that last couple years, and we don't think Peter will ever in his life violating the law again. We hope that this will be over soon, so we would have a chance to learn from him again, and then share his knowledge with other farmers in Vietnam.

Please take this letter into your consideration, and thank you very much for your time.



Donald Le

Jeffery R. Gilles

Dennis C. Beougher
Patrick S.M. Casey
Amy Purchase Reid
Jason S. Retterer
Paul A. Rovella
Bradley W. Sullivan
James W. Sullivan

E. Soren Diaz
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April 2, 2012

The Honorable Charles R. Breyer
United States District Court
Northern District of California
450 Golden Gate Avenue
San Francisco, CA 94102

Re: **Peter Townsley**

Dear Honorable Charles R. Breyer:

My name is Patrick Casey and I am an attorney at the law firm of L+G, LLP. Our office has represented Peter Townsley since 1999 and I first started representing Peter Townsley in 2001. I represented Peter Townsley and his respective businesses in a large variety of transactions including forming new businesses, dissolving old businesses, buying out shareholders in his businesses, negotiating with investors, negotiating technology license agreements, handling various real estate matters and eventually representing Peter Townsley in the sale of his business to Converted Organics.

Since 2001, I have spent a very significant amount of time working with Peter on these different transactions. In all of my dealings with Peter, he has always been respectful, courteous and most importantly, honest and forthright. I have never seen Peter lie, deceive or misrepresent either himself, his business or his products to anyone. To the contrary, I have seen Peter give on points in negotiations that worked against his interest, but that he did so because he wanted to make the other side feel that it was a fair deal. When Peter did this on one particular occasion, I brought it to his attention and told him that he did not need to take a particular action (which was to Peter's detriment) because he had no legal or ethical obligation or duty to do so. Peter told me that he understood this but that he felt that he should do so because it was the right thing to do.

Violating the law is completely inconsistent with Peter Townsley's true character. I have found Peter to be an upstanding moral person that always tries to do the right thing in any circumstance. I have no doubt that Peter has learned his lesson from the current circumstances, and I cannot imagine that Peter would ever intentionally or unintentionally violate the law at any point in the future. He is not a recidivist.

The Honorable Charles R. Breyer
April 2, 2012
Page2

In the course of our dealings, I have had the chance to both meet and work with his father, Philip Townsley. In working with this father, I see where Peter obtained his strong sense of morals and ethics. This has been incredibly difficult on Peter's mother and father and the rest of his family, which has made it all the more difficult for Peter and is one more example of Peter's caring and forthright nature.

I respectfully request that your Honor impose the lightest and most lenient sentence possible on Peter Townsley for all the reasons detailed in this letter. I consider Peter to be not just a good client but also a good friend. He is a decent and honest person and he has most certainly learned his lesson from these recent events. Under no circumstances could I ever see Peter getting in trouble with the law again.

Thank you very much for your time in taking this letter into account for Peter's sentencing. I am available at any time to talk with you about Peter Townsley.

Very truly yours,

L+G, LLP



Patrick S. M. Casey

PSC:jmt

Jeffery R. Gilles

Dennis C. Beougher
Patrick S.M. Casey
Amy Purchase Reid
Jason S. Retterer
Paul A. Rovella
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May 22, 2012

File No. 1342.001

The Honorable Charles R. Breyer
United States District Court
Northern District of California
450 Golden Gate Avenue
San Francisco, CA 94102

Re: **Peter Townsley**

Dear Honorable Charles R. Breyer:

I am a business attorney with the law firm of L+G, LLP. This letter is a follow-up to my April 2, 2012 letter and I am writing about Peter Townsley's lifestyle and his spending habits. Since I first met and started working with Peter Townsley in 2001, Peter has always maintained a modest, middle-class lifestyle. He purchased and lived in a regular home in a subdivision in Gonzales for some time. He subsequently sold that home and a few years ago he purchased another middle class home in a subdivision in Paso Robles. Neither of the homes were ostentatious or in exclusive areas.

Peter has always driven sensible vehicles including a Chevrolet Tahoe and then later a Toyota Tacoma, which he still drives today. I never knew Peter to take any expensive vacations or to eat out at expensive restaurants. Peter did not wear expensive cloths, stay in exclusive hotels or do anything that would be out of the norm for someone leading a middle-class lifestyle. As long as I have known Peter Townsley, he has lived a modest lifestyle and lived within his means.

I would be happy to talk to you at any time about Peter Townsley and anything contained in this letter.

Very truly yours,

L+G, LLP

Patrick S. M. Casey

PSMC;bmg

Ms Maury Treleven


Gonzales, CA 93926

October 24, 2012

The Honorable Charles Breyer
c/o Evan A. Jenness, Esq.
Main Street Law Building
2115 Main Street
Santa Monica, CA 90405

Regarding: Peter Townsley

Your honor:

I am writing you today regarding the pending sentencing of my former employer Peter Townsley. While I was not employed by Mr. Townsley during the time period of his business activities which are being considered in his plea and pending sentence, I do feel compelled to write to you on his behalf and in the hope that something positive can be gained from whatever sentence you decide to pass.

I am a person who believes in rules and the rule of law. Fair rules, just rules, rules that apply to all regardless of status or wealth, and rules that protect the most vulnerable members of our society from becoming victims. I believe in the just enforcement of rules and consequences. I also understand that our system of "corrections and rehabilitation" has become anything but a system of correction and rehabilitation for those who face those consequences.

As I grow older and gain more experience in life, I have come to favor the kind of justice where there are opportunities for each of us, when we have done wrong, to "make it right." I am a firm believer that the type of service where one is truly present with those whom they serve provides us with opportunities for growth and redemption that can be found nowhere else. It is when are given opportunities that assist us in growing in humility that we gain what is truly valuable in living our human lives.

Mr. Townsley is a creative, kind, and a patient man. He is an intelligent and educated man. His skill set and background in engineering, agriculture, manufacturing, and science are of tremendous value. He is a man who has many things to offer. I learned a great many things from Mr. Townsley while in his employment as a project manager. He provided me with opportunities to grow in my career and to develop my skills in areas beyond my job description.

I live in a county where systemic poverty, parental neglect and abandonment, and lack of opportunity have created the perfect storm forcing lost young men and women to join street gangs that deliver daily doses of death and destruction to their own neighbors and families.

Churches and non-profit organizations in the most populous city in our county engage in a daily struggle to feed and serve the abandoned mentally ill living on the streets alongside homeless veterans of the Vietnam War. More and more, these people are joined by veterans returning from the wars in Iraq and Afghanistan. They are additionally joined by those who were at risk before the downturn in the economy and have not been able to find work for more than two years.

The food pantry at my church and that of another church I am affiliated through my Rotary club feed more and more people every week. The at-cost wholesale produce market I help to manage for senior citizens through my church is thriving. All the while, I consider the expense of incarceration of talented rule breakers and the return on that investment to society.

You honor, I hope that in considering the appropriate consequences for the actions of Mr. Townsley you will consider what might be gained by asking him to "make it right" in a way that is creative and useful. Ask yourself what might be gained in the form of justice for society by paying his debt through use of his time, talent and treasure. What might be gained personally by Mr. Townsley in the form of humility and forgiveness through performing acts of service that have the potential to lift up and transform the lives of those who suffer from many kinds of injustice?

It is my sincere belief that Mr. Townsley is anything but a lost cause or someone to write off. I see this time in his life as an opportunity to learn and to grow and to transform his own life and the lives of others. For God's sake, make him teach at an inner-city high school or community college for a few years...that will be a gift to us all! That was a point of humor but not a bad idea if you ask me.

Thank you so very much for your time and for your consideration of my words and thoughts. I pray that you are blessed each day with wisdom and a sense of purpose in meeting out justice that supports you in the great responsibility you undertake.

Kindest regards,

A handwritten signature in black ink, appearing to read "Ms. Maury Treleven", with a stylized flourish at the end.

Ms Maury Treleven

Gail Townsley
[REDACTED]
Woodland Hills, CA 91364
818-591-8408

April 2, 2012

The Hon. Charles R. Breyer
United States District Court

Re: *Character Reference for Peter Townsley*

Honorable Charles R. Breyer:

I am writing to you to give a character reference for Peter Townsley. I first met Peter on a family vacation 34 years ago. I have been married to Peter's cousin, Brian Townsley, for over 35 years.

After graduating from college with an engineering degree, Peter worked very hard to develop a safe and economical organic product. He had the drive to start up a small, organic fertilizer business in California. On many occasions, Peter has expressed remorse for his actions and accepts responsibility for his offense. I believe that he will never do anything unlawful again.

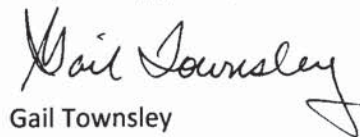
When we received a call informing us of Peter's arrest in October 2010, both Brian and I wanted to help him and, without hesitation, put up a \$175,000 bond for his release from jail. We trust him to abide by the rules set for his release.

Peter stayed at our home after his release; he is an ideal house guest. Over many weeks, he volunteered to help out around the house, worked on projects with Brian, and even accompanied our daughter and me to both Getty museums in one weekend so our daughter could complete one of her school projects. He called and had long conversations with his parents every day. He worried, not so much about himself, but more about what his situation was doing to his parent's health. He requested and got approval multiple times to visit and care for his elderly parents in Canada.

Peter has the support of his entire family, friends, and his professional associates. He has been very appreciative of the help we have given him, thanking us frequently for providing a place to live. He is welcome to stay in our home anytime.

I ask that you take my letter into consideration. Thank you very much for your time.

Respectfully yours,


Gail Townsley

September 3rd, 2012

The Honorable Charles R. Breyer
United States District Judge
U.S. District Court
450 Goldengate Avenue
San Francisco, California 94102

Honorable Juez Breyer:

My name is Carmen Violeta Rincon de Lopez, a Venezuelan currently living in Guadalajara, Mexico. I am writing this letter to offer my deep recomendation of Peter James Townsley, who is my daughter's husband and who has been with us for several years. At all times, Peter has demonstrated to be an honest person with our family.

Peter Townsley is kind and helpful to other people. I trust in his honesty with others, and in a the short time of knowing him he has won the confidence of all of us.

It speaks well of his honesty and you can see it in his eyes, because he is a person who is enthusiastic, cheerful and sincere.

Since joining our family, he has always been helpful and treated others with decency. He has provided unconditional support at all times and our quality of life has improved. Our entire family misses Peter and I ask you the opportunity to have compassion if he committed any error. Without more at the moment, I wish you an excellent day.


Carmen Violeta Rincon de Lopez

STEPHEN A. ROBERTS, B.Sc. (Pharm), M.D.
Family Practice

4303 WEST TENTH AVENUE VANCOUVER, B.C. V6R 2H6
TELEPHONE (604) 224-1355 FAX (604) 224-0179

August 18, 2012

Re: Philip and Marion Townsley

To Whom It May Concern:

Mrs. Townsley has a history of hypertension, knee replacement, osteo arthritis of both shoulders (resulting in decreased range of motion) and atrial fibrillation. She was recently admitted to the hospital for 11 days due to a syncopal episode.

Mr. Townsley has a history of coronary artery disease, carcinoma of bladder, and depression. He may also have mild cognitive impairment. His most recent problems relate to anxiety and depression. He is currently under the care of a geriatric psychiatrist.

Mr. And Mrs. Townsley live in their own home and recently they have been dependent on their son for assistance with home support, and maintenance.

I hope this information is of assistance.

Yours sincerely,

S. Roberts, M.D.

TELEPHONE 224-1355
FAX 224-0179

STEPHEN A. ROBERTS, B.Sc. (Pharm), M.D.

Family Practice

4303 WEST TENTH AVENUE VANCOUVER, B.C. V6R 2H6

Aug 18, 12

To whom it may concern

Re: Philip and Marion Townsley

Mrs Townsley has a history of hypertension, knee replacement, osteoarthritis of both shoulders (resulting in decreased range of motion) and atrial fibrillation. She was recently admitted to hospital for 11 days due to a syncopal episode.

Mr Townsley has a history of coronary artery disease, carcinoma of bladder, and depression. He may also have mild cognitive impairment. His most recent problems relate to anxiety and depression. He is currently under the care of a geriatric psychiatrist.

Mr and Mrs Townsley live in their own home and recently they have been dependent on their son for assistance with home support, and maintenance.

I hope this information is of assistance

yours sincerely,

S Roberts M.D.